



# ENERGY ASSURANCE DAILY

Thursday Evening, February 14, 2013

## *Electricity*

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### **Entergy's 951 MW Indian Point Nuclear Unit 2 in New York Shut by February 14**

Entergy Nuclear reported Thursday that it had shut down Unit 2 of its Indian Point nuclear plant following indication of fluctuating water levels inside the plant's steam generators, which occurred when two pumps that send water from the drain tank to the steam generators stopped working. Operators safely shut down the unit and are investigating why the pumps stopped working. The Nuclear Regulatory Commission reported that on the morning of February 13 the unit was operating at full power. Unit 3 is operating normally and there was no safety threat.

[http://www.entergy.com/News\\_Room/newsrelease.aspx?NR\\_ID=2671](http://www.entergy.com/News_Room/newsrelease.aspx?NR_ID=2671)

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2013/20130214en.html>

<http://www.nbcnewyork.com/news/local/Indian-Point-Nuclear-Reactor-Shut-Down-Pumps-Fail-191133771.html>

### **Update: Duke Set to Replace Up to 6,800 MW of Coal-Fired Generating Capacity by 2015**

Duke Energy Corp. said Wednesday that it will retire up to 6,800 MW of coal-fired generating capacity by 2015 and replace it with one coal plant, one natural gas plant, and three plants already in service since 2012. As part of its multi-year \$9 billion modernization plan, Duke will construct the 618 MW Edwardsport coal plant in Indiana and the 625 MW Sutton natural gas plant in North Carolina. This is in addition to three North Carolina plants already in service—920 MW Lee gas plant, 620 MW Dan River gas plant, and 825 MW Cliffside 6 coal-fired unit. The Edwardsport plant is scheduled to enter service mid-2013, and the Sutton gas plant is scheduled for the end of 2013.

<http://www.reuters.com/article/2013/02/13/utilities-duke-earnings-idUSL1N0BDBXQ20130213>

### **Texas Electric Grid Posts Record at 9,481 MW of Wind Generation February 9**

The Electric Reliability Council of Texas (ERCOT) said Wednesday that on February 9, the amount of electricity produced from wind reached 9,481 MW, up from 8,667 MW in late January. Of the total, 7,205 came from West Texas, 1,620 MW came from the Texas Gulf Coast, 431 MW came from North Texas, and 225 MW came from South Texas. One MW is enough electricity to power about 200 homes during periods when electric use is highest and about 500 homes during periods of typical consumption. ERCOT has more than 10,400 MW of commercial wind power capacity, with the addition of 372 MW in December.

[http://www.ercot.com/news/press\\_releases/show/26398](http://www.ercot.com/news/press_releases/show/26398)

## *Petroleum*

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### **Update: Cal/OSHA Concludes Chevron Should Have Replaced Leaky Pipe That Caused Fire at Its Richmond, California Refinery in August 2012**

The U.S. Chemical Safety Board (CSB) and the California Division of Occupational Safety & Health (Cal/OSHA) released a report on Wednesday, concluding that the 8-inch steel pipe, from a section designated as 4-sidecut which was installed in 1976, ruptured due to severe sulfidation corrosion, causing the August 6, 2012 fire at Chevron's Richmond refinery. Tested pipe samples showed a very low concentration of corrosion-inhibiting silicon. The CSB investigation to determine the root causes of the incident is ongoing. The CSB will release a report detailing its findings and recommendations to key stakeholders later this year. Cal/OSHA has already issued 25 citations, including 11 "willful serious" and 12 "serious," and civil penalties of nearly \$1 million.

<http://www.dir.ca.gov/DIRNews/2013/IR2013-08.html>

<http://www.ktvu.com/news/news/local/report-chevron-should-have-replaced-leaky-pipe/nWNpp/>

## **Phillips 66 Reports Flare Gas Recovery Compressor Trip at Its 362,000 b/d Wood River Refinery February 14**

Phillips 66 reported sulfur dioxide emissions at its Wood River refinery in Roxana, Illinois, caused by a flare gas recovery compressor trip, according to a filing with state pollution regulators.  
Reuters, 4:03 February 14, 2013

## **Citgo Reports Unit Upset at Its 167,000 b/d Lemont, Illinois Refinery February 13**

Citgo Petroleum Corp. reported a unit upset that led to the release of sulfur dioxide from a flare stack at its Lemont, Illinois refinery Wednesday, according to a filing with the National Response Center. The unit process was stabilized, and the emissions were stopped.

[http://www.nrc.uscg.mil/reports/rwervlet?standard\\_web+inc\\_seq=1038447](http://www.nrc.uscg.mil/reports/rwervlet?standard_web+inc_seq=1038447)

Reuters, 00:34 February 14, 2013

## **Phillips 66 Reports Gasoline Leak at Its 120,000 b/d Rodeo, California Refinery February 13**

According to a filing with the Contra Costa Health Services, Phillips 66's refinery in Rodeo, California, experienced a small gas leak of several gallons from a seal on a pump February 11. The company reported that it isolated and stopped the leak.

Reuters, 15:29 February 13, 2013

## **Update: Pembina Moving Forward with 55,000 b/d Crude Oil and Condensate Expansion on Peace Pipeline System in Alberta**

Pembina Pipeline Corporation on Wednesday announced that it has reached its contractual threshold to move ahead with its previously announced plans to significantly expand its crude oil and condensate throughput capacity on its Peace pipeline system by 55,000 b/d (the "Phase 2 LVP Expansion"). The crude oil and condensate (low vapor pressure, or "LVP") portion of the Peace Pipeline is currently operating at capacity. Pembina is working to complete its previously announced Phase 1 LVP Expansion, which will expand crude oil and condensate capacity on this system by an additional 40,000 bpd to reach 195,000 b/d by October of 2013. The Phase 2 LVP Expansion is expected to accommodate increased producer crude oil and condensate volumes arising from strong drilling results in the Dawson Creek, Grande Prairie and Kaybob/Fox Creek areas of Alberta. Subject to obtaining regulatory and environmental approvals, Pembina anticipates being able to bring the expansion into service by late-2014. Once complete, this expansion will increase capacity on the Peace Pipeline to 250,000 b/d.

<http://finance.yahoo.com/news/pembina-pipeline-corporation-announces-moving-222500376.html>

## **PWC Estimates Shale Oil Production Could Reach 14 MMb/d by 2035; 12% of World's Total Oil Supply**

[http://www.rigzone.com/news/oil\\_gas/a/124312/Shale\\_Oil\\_Production\\_Could\\_Hit\\_14M\\_Barrels\\_per\\_Day\\_by\\_2035](http://www.rigzone.com/news/oil_gas/a/124312/Shale_Oil_Production_Could_Hit_14M_Barrels_per_Day_by_2035)

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## ***Natural Gas***

### **Southern Union Reports Flaring at Its 140 MMcf/d Keystone Gas Plant in Texas February 13**

Southern Union Gas Services reported that a flaring event at its Keystone gas plant Wednesday was due to hot valves in Unit 23, according to a filing with the Texas Commission on Environmental Quality.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=179317>

### **XTO Energy Reports Flaring at Russell Compressor Station in Texas February 13**

According to a report filed with the Texas Commission on Environmental Quality, XTO is using flaring at its Russell Compressor Station to minimize emissions until DCP Midstream can resolve plant issues.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=179271>

## Other News

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### Update: Valero Resumes Production at 110 MMGal/Year Ethanol Plant in Albion, Nebraska Plant February 14

Valero Energy Corp. on Thursday reported that it had resumed production at its 110 MMGal/Year ethanol plant in Albion, Nebraska. Valero idled it and four other ethanol plants in fourth quarter 2012 due to poor margins caused by high corn prices and high industry ethanol inventories attributable to lower ethanol and gasoline demand. According to the company, economic conditions have improved, and the corn basis price in the area reduced slightly.

<http://www.businessweek.com/news/2013-02-13/valero-restarts-production-at-ethanol-plant-as-output-costs-ease>

Reuters, 11:18 February 14, 2013

## International News

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### UAE Set to Increase Oil Storage Capacity at Port of Fujairah on the Gulf of Oman

The United Arab Emirates (UAE) is planning to increase the storage capacity at its 4.07 million cubic meter port of Fujairah, outside the Strait of Hormuz on the Gulf of Oman by 2 million cubic meters in 2013 to just more than 6 million cubic meters. This includes capacity additions from existing companies Emirates National Oil Company, GPS Chemoil, and Socar Aurora, along with new investor Gulf Petrochem. The increase will be added when the seventh phase of Vopak Horizon's expansion project comes online and Singapore-based Concord Energy and China's Sinopec complete their 880,000 cubic meter project. By 2015, Fujairah's oil storage capacity is expected to rise to almost 9 million cubic meters.

[http://www.steelguru.com/middle\\_east\\_news/Fujairah\\_oil\\_storage\\_capacity\\_to\\_rise\\_by\\_2\\_MCM/301659.html](http://www.steelguru.com/middle_east_news/Fujairah_oil_storage_capacity_to_rise_by_2_MCM/301659.html)

## Energy Prices

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U.S. Oil and Gas Prices			
February 14, 2013			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	97.44	95.71	102.43
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	3.29	3.31	2.54

Source: Reuters

## Links

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***This Week in Petroleum*** from the U.S. Energy Information Administration (EIA)

<http://www.eia.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

***Weekly Petroleum Status Report*** from EIA

[http://www.eia.gov/oil\\_gas/petroleum/data\\_publications/weekly\\_petroleum\\_status\\_report/wpsr.html](http://www.eia.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html)

Updated after 10:30 AM & 1:00 PM ET every Wednesday.

***Natural Gas Weekly Update*** from EIA

<http://www.eia.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM ET every Thursday.

## ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/ead.aspx>

*Please direct comments and questions to: [ead@oe.netl.doe.gov](mailto:ead@oe.netl.doe.gov)*